

THE EFFECT OF CUSTOMER RELATIONSHIP MANAGEMENT (CRM) CONCEPT ADOPTION ON CUSTOMER SATISFACTION – CUSTOMERS PERSPECTIVE

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Abstract

The purpose of this study is to examine, from the viewpoint of the customers, the impact of implementing the concept of customer relationship management (CRM) on customer acquisition, satisfaction, retention, and reducing customer loss in the coastal municipalities water utility (CMWU). For a number of reasons, a CRM installation is probably going to have an impact on information and customer happiness. Out of the fourteen municipalities, the city of Anantnag was chosen. Using stratified sampling, responses from 393 clients in the city of Anantnag were obtained through the use of a delivery and collection questionnaire. The consumers were divided into three groups based on their level of commitment to paying their monthly water bills: the committed customers (CC), the partially committed customers (PCC), and the uncommitted customers (UCC). According to the study, achieving customer acquisition, happiness, retention, and reducing customer loss were all positively connected with the CMWU's adoption of the CRM idea. Additionally, the influence of CRM on client retention has been examined. Items pertaining to customer satisfaction in customer relationship management were taken from secondary sources and utilized to support the analysis. While the mean for all other factors combined was approximately 76.00%, the proportional mean for customer loss was 82.24%. In order to achieve the ultimate goal of CRM adoption, the study recommends that the CMWU focus more on improving the services it offers, handling customer complaints and inquiries in an effective and proper manner, gathering customer feedback, incorporating customers in any future strategies, and establishing ongoing communication with customers through various communication channels.

Keywords; CRM, customer, customer satisfaction, Anantnag.

INTRODUCTION.

Customer relationship management is a plan and procedure for bringing in new clients and keeping existing ones in order to provide greater value for both the clientele and the business. The benefits of customer relationship management have been understood since the early 1920s. The term CRM has been defined in a number of ways by different authors; some characterize it as a technology, while others describe it as a philosophy. According to Reetu Kumari and D. K. Sharma (2019), the primary goal of CRM systems is to improve the efficiency with which CRM procedures are implemented, as this has an impact on how well they communicate with consumers. Any organization, whether it be semi-public, public, or private, needs to have a thorough understanding of the clients it serves as well as the services or goods it provides. In conventional marketing strategies, the first claim is highly regarded (the kind of services or products). "Are the products valuable in the eyes of the customers?" The researcher worries, "Will customers pay the full price for the product?" The question "Do the products or services match the expectations of the customers?" arises because the executives and founders of the company fail to consider these factors.

In 2018, Harpreet Kaur carried out research on customer retention in the banking industry. The study offers a thorough assessment and analysis of bankers' and customers' perspectives on customer retention. From a product-centric to a customer-centric approach, and from attracting, retaining, enthusing, and satisfying the largest number of consumers to selling the biggest number of products, marketing concepts and methods have gradually evolved. Megawati Simanjuntak (2020) examined the CRM strategies used by the auto lending industry to improve client retention. Due to intense competition and an abundance of options for customers, a revolution in marketing thinking is occurring. In contrast to what previous generations could never have envisaged, "clients today have access to an extraordinarily competitive global market" (Hoots, 2005). As to Ashraf et al. (2015), the idea of CRM is ingrained in the management of customer relationships through the successful and efficient exchange of information, resulting in enhanced customer value delivery and decreased organizational expenses.

Client happiness is crucial since it aids executives and business owners in managing and growing their companies. Another benefit is that in a market where businesses are fighting for clients, customer satisfaction is viewed as a critical

differentiation. Customer ensuring that survey projects completely focus on client-critical issues is also crucial. Customer satisfaction is more than just a reaction; it's an emotional reaction to contacts with specific goods or services, stores, or consumer behavior patterns like how they behave and the market as a whole. Under the new marketing strategy, customers ascended to the top of the pyramid, and today's corporate leaders often employ phrases like "customer is king" and "customer is always right." Therefore, "the only goal of any firm is to draw in, hold on to, and grow its customer base once all the daily activities that keep everyone busy have concluded." Whether a corporation focuses its efforts on product development or not corporation must have consumers in order to survive in business, regardless of how efficient its operations are, how low its prices are, or how close it is to its clients." In 2004 Peppers and Rogers.

CRM is a competitive strategy that focuses on gaining, developing, maintaining, and expanding lucrative customer connections. These interactions have a big impact on overall performance. In a study conducted in 2021, Raman Janeya Lambu found that the main objectives of CRM in private sector banks are to draw in new business and cultivate and keep existing clientele. CRM assists Indian businesses in developing relationships with their clients, which in turn fosters client loyalty and retention. CRM may be tailored to work in every kind of business because to its many different applications and tactics. Customer loyalty is heavily influenced by service quality; a well-implemented CRM will increase customer loyalty. So it can be concluded that the aforementioned factors and customer loyalty should be observed in a firm to maintain long run relations with customers who directly influence the profitability of an organization.

RESEARCH METHODOLOGY

Study Design

The study was carried out by the researcher utilizing a descriptive analytical methodology. Because the majority of the data for this study comes from primary sources, it is categorized as applied research because research-designed questionnaires are distributed to gather data. The target audience was given a questionnaire, which was used to collect data. In order to minimize misunderstandings among respondents, a definition of CRM and its application are included in the cover letter that went with the questionnaires. The researcher's research was supplemented by secondary materials, including books, business journals, prior research publications, and business communications. A statistical analysis was conducted on the questionnaire. Frequencies, percentages, and accuracy requirements were computed using the model. The final research conclusion and recommendation were developed using the statistical analysis data. The researcher recommends more investigation after the study's findings.

Population and sample

CMWU customers in Anantnag City make up the study population, with household subscriptions accounting for 90 percent of all registered customers. Subscriptions from the government and institutions were refused because these organisations adhere to strict policy procedures, and Anantnag officials have no influence over the CMWU's water bills. There were 272 registered research participants in the sample (CMWU billing system Records March 2010). The researcher classified the customers based on their location (Anantnag City). The city of Anantnag is divided into 395 villages Fig. 1 and the sample was drawn from the most populous 10 villages 'of the city to ensure a diverse and representative customer sample. Furthermore, after reviewing their bill-paying behaviour in various areas, Furthermore, the sharing mentality and social behaviour of Anantnag city residents support sample representativeness in order to achieve the study's goal. Customers in the targeted areas were primarily classified based on their bill-paying habits, as illustrated below:

Fig.1 Research area District Anantnag J&K India.



- Committed customers (CC) pay their bills on a monthly basis.
- Partially committed customers (PCC) pay their bills every two to five months.
- Uncommitted customers (UCC): Customers who do not pay or do not pay their bills within 6 months, Table 1, illustrates the sample selection producers.

Table 1: No of customers / Area. CMWU billing record.

Area No.	1	2	3	4	5	6	7
No. Of customers	289	253	221	193	329	219	200

The study sample was selected from area no. 5, (329 customers) and divided according to bill paying behavior, Table 2 illustrates customer’s classification in Area no. 5:

Table 2: customer’s classification in area no.5 CMWU billing Record.

Anantnag Area No	Total No. of customers	Customer Classification	Customers No.
		UCC	202
5	329	PCC	96
		CC	31
Total			329

- The following criteria were used to select the study sample:
 1. Because committed customers (CC) are a small group, and the researcher is interested in hearing all of the CC's opinions, they were all included in the sample.
 2. Using the following equation, the UCC and PCC groups were chosen at random.

$$n = \frac{Z^2}{2m}$$

Where:

Z: Normative values for a known level of significance (e.g., Z=1.96 for a 95% confidence interval and a 0.05 level of significance).

m = marginal error expressed as a decimal point (for example, + 0.05).

To correct the sample size for the final sample size, the following equation was used:

$$n \text{ mod} = \frac{nN}{N + n - 1}$$

Where n: represents the total population size.

Using equation 1 to calculate the sample size

$$n = \frac{1.962}{2 \times 0.05} \cong 383$$

Hence, the population size equal = 3163 (PCC + UCC).

The modified sample size using equation no.² is:

$$n \text{ mod} = \frac{384 \times 3163}{3163 + 384 - 1} \cong 343$$

Thus, the appropriate sample size in this case will be at least 343. Distributing the sample size for the PCC & UCC. The PCC sample will be its fraction from the total size multiplied with the modified sample size (343) and this will be equal to $^{796} \times 343 = 86$ customers. 3163. Thus, the UCC sample size is $343 - 86 = 257$ customers.

In concluding the total sample size, is the sum of CC + PCC + UCC i.e. $131 + 86 + 257 = 474$ customer. Customers were chosen at random from a list prepared for each customer classification using pre-programmed random selection software. Subscriptions from the government and institutions must be cancelled and replaced with subscriptions from other customers who meet the sample specifications. Commercial, industrial, institutional, governmental, and agricultural

entities are among the subscribers, o Customers in Zones No (1, 2, 3, 4, 6, and 7).

Questionnaire Design and Preparation.

The Questionnaire was divided into two sections. The first dealt with personal characteristics (age, educational attainment, monthly income, how and where the person worked). Following the payment of the bills, an investigation is launched to determine whether the customer visited the CMWU customer service offices or website. The second section concentrated on the study's four objectives: The utilization of CMWU's CRM concept has piqued the interest of customers.

Contentment (first objective with 13 section), Purchasing (second objective with 14 section).

Retention (third objective, ten sections) and, finally, reducing customer churn to a manageable 5% level (The fourth objective is divided into 11 sections).

The Questionnaire were written in Urdu so that the entire sample could understand it. The questions were asked in a logical and sequential order, starting with personal information and ending with recommendations. The CMWU already had this group because the questionnaire distributed to the CC only included attributes related to customer satisfaction, retention, and decreasing customer loss. A questionnaire was given to the PCC, which included questions about customer satisfaction, acquisition, retention, and reducing customer loss. CMWU was not acquired, which is the only difference between this and the other CC groups. As a result, the acquisition goal of the group must be investigated. Because the UCC questionnaire only included satisfaction and acquisition-related attributes, studying retention and customer loss with customers that CMWU has yet to acquire is impossible.

The questionnaire was primarily developed based on the researcher's experience in the field of customer relationship management CRM, and it was refined and adjusted after reviewing several questionnaire models, including those developed by Masroje (2009), Chi (2009), Saremi (2009), Rahimi (2008), and Shiah (2009).

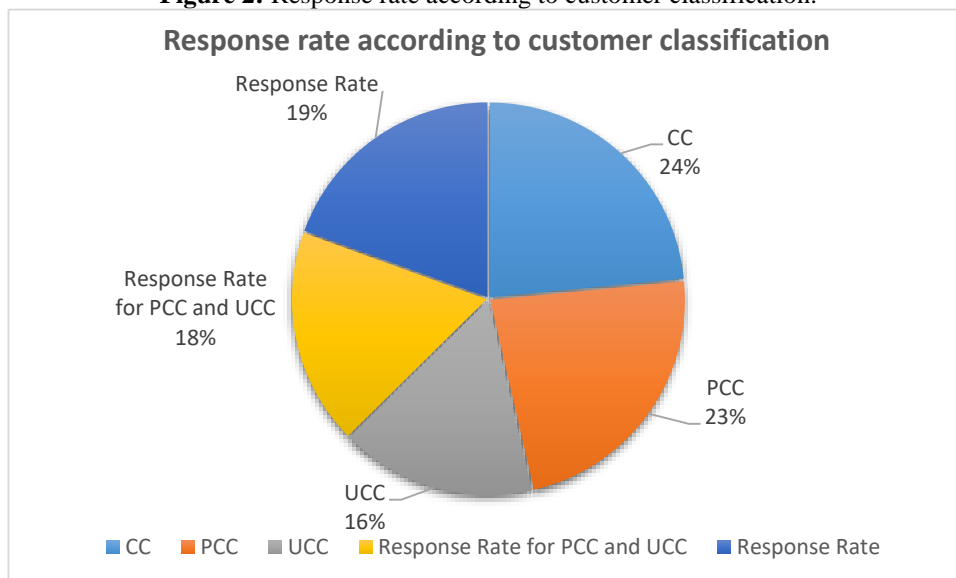
Response Rate

The response rate according to customers' classification are mentioned in Table. 3 and Fig. 2.

Table 3: Response rate according to customer classification.

Customers' Classification	Response Rate (%)
CC	100%
PCC	97.60%
UCC	69.20%
Response Rate for PCC and UCC	76.40%
Response Rate	82.90%

Figure 2: Response rate according to customer classification.



Data Collection

The data collection phase was carried out directly under the supervision of the researcher. A workshop was held for employees in the customer service department of CMWU headquarters and the Anantnag branch to explain the purposes and objectives of the questionnaire, how to distribute the questionnaire, and how to encourage customers to fill out the required data. The questionnaires were distributed and collected by employees (volunteers). No duplication was discovered because the distribution phase was carried out with a pre-prepared customer list and an officially reviewed database created for this purpose.

RESULTS

Sample Description

The sample characteristics are given in Table.4. The table reveals that the sample has high percentage of Male respondents (53.4 percent) than female respondents (46.6 percent). Highest percentage of respondents was observed from Anantnag town region (52.9 percent) than outer Anantnag region (47.1 percent). Among various designations in the bank, 'Personal Banker' (23.5 percent) has highest percentage and 'Back up Manager' (12.7 percent) has lowestpercentage. The other designations include 'Assistant Managers' (18.6%), 'Branch Sales Officers' (17.7%), 'Branch Managers' (14.3), and 'Relationship Managers' (13.2 percent). The 'Personal Banker' is a key person in the bank as maximum responsibility towards the banking functions are performed by him/her. Also highest percentageof respondents was observed from the experience group of '3-5 years' and lowest number was found in the 'above 9 years' group.

Table 4: Demographic Description of Sample

Demographic variables	Category	Frequency	Percentage
Gender	Male	109	53.4
	Female	95	46.6
Region	Anantnag town	108	52.9
	Outer Anantnag region	96	47.1
Designation	Branch Manager	29	14.3
	Back-up Manager	26	12.7
	Personal Banker	48	23.5
	Relationship Manager	27	13.2
	Assistant Manager	38	18.6
	Branch sales Officer	36	17.7
Expreince (yrs)	Below 1 yr	10	4.9
	1-3 yrs	58	28.4
	3-5 yrs	78	38.2
	5-7 yrs	35	17.2
	7-9 yrs	18	8.8
	9 yrs above	5	2.5

• **Descriptive Analysis of the Sample, Personal information in India**

The bulk of consumers (70.50 percent) are between the ages of 40 and 50, indicating that respondents are mature enough to contribute to the study's conclusions and that their experience with various service providers' eras will be valuable Table.5.

Table.6 illustrates that the sample's customers are evenly distributed throughout the educational achievement levels of the questioners (51.10 percent with higher school or less and 48.40 percent with educational attainment higher than high school). This indicates that the respondent has received sufficient education to understand the study's purpose, make reasonable responses, and recognize the importance of paying private institutes' water bills.

Table 5: Customers' Age Frequency Outcomes

Age	Frequency
20- less than 30	56
30- less than 40	61
40- less than 50	135
50 and above	145
Total	397

Table 6: Educational attainments

Educational attainments	Frequency	Percent (%)
Less than high school	107	27.9
High school	89	23.2
Diploma	84	21.9
B.Sc.	87	22.7
Graduate studies	16	4.2
Total	383	100.0

Table.7 although the following findings can be attributed to both the household's economic situation and the current national context (for example, job opportunities), they may benefit researchers in establishing a payment/income relationship into bill-paying behaviours, particularly in Anantnag city. A monthly income of less than 1000 NIS is considered a valid explanation for not paying the water bill because the UCC category accounts for the majority of the findings.

There were a 49 missing for this question, this might be refer to customer rejection to clarify the information regarding their monthly income.

The graph depicts the bill-paying behaviors of survey participants. The goal of this research is to determine the participants' creditworthiness, and the results can be accessible through the CMWU billing system. In addition, the researcher removed (not paying the water bill) from the questionnaire's response options, replacing it with (More than 6 months). The findings of this question show a high level of creditability, therefore they match the CMWU billing records Table 8.

Table. 7: Monthly income / NIS

Monthly income / NIS	Frequency
Less than 1000	160
1001-2000	88
2001-3000	80
More than 3000	20
Total	348

Table 8: how often you pay the water bill.

Frequent Payment of the water bills	Frequency
Monthly	131
2-3 Months	53
3-6 Months	31
More than 6	178
Total	393

Table.9: Paying the bill occurs through

Paying the bill occurs through	Frequency	Percent (%)
Customer services office	303	86.6
Water meter reader	47	13.4
Total	350	100.0

In 86.60 percent of cases, customers pay their bills through CMWU's customer service office. Customers' services use water metre readers to collect bills from clients at their doorsteps, which is a novel practise. CMWU did not deploy any other bill-collection tactics until today because this result matched CMWU billing data Table 9.

Table 10 has the fact that 334 people visited the CMWU customer service centre demonstrates its openness and friendliness. Table 4-5 (303 clients who paid their bills at the customer service office) reveals a slightly different result, which may be related to the following factors:

- Customers began paying their water bills through the water metre reader rather than through the customer support centre.
- Customers come to the office for a number of reasons, including complaints, maintenance concerns, and water supply schedules, in addition to paying their bills.
- Customers who were not committed came to the office for reasons other than payment, which was detected.

Only 10.40 percent of clients had visited the CMWU website, according to the report. Given that CMWU's website is new and clients have no web-based services to support a visit, this is appropriate (for example, account checking, entering water metre readings, consumption or payment data, paying the water bill, etc.) Table 11.

Table 10: Visiting CMWU customer services office

Visiting CMWU customer services office	Frequency	Percent (%)
Yes	334	84.80
No	60	15.20
Total	394	100.0

Table 4.7: Visiting CMWU customer services website.

Visiting CMWU official website	Frequency	Percent (%)
Yes	41	10.4
No	352	89.6
Total	393	100.0

CONCLUSIONS

The purpose of this research is to look into how CMWU's CRM implementation affects customer satisfaction, acquisition, retention, and loss. Implementing the CRM concept at CMWU, according to the findings, was significantly positively correlated with customer satisfaction, acquisition, retention, and decreasing customer loss. The CRM has the greatest impact on customer retention of all the tested factors. The customer loss metric had a proportional mean of 82.24 percent. The mean values for customer satisfaction, customer acquisition, and customer retention were 77.22 percent, 76.11 percent, and 76.71 percent, respectively. You will reduce customer loss and improve customer satisfaction, acquisition, and retention as a result of empathizing with the CRM concept.

Modern governments must include quality management into their operations in order to satisfy their constituents' needs for security, comfort, and convenience. Consequently, CRM ought to be viewed as a comprehensive organizational strategy rather than just a tool for managing customer relationships in order to help all staff members become customer-focused. After all, the source of consumer information is two-way flow. As a result, clients will be able to voice their dissatisfaction with the company's treatment of them. This should be possible with a weekly, quarterly, or annual customer review report. The CRM has the greatest impact on customer retention of all the tested factors. The customer loss metric had a proportional mean of 82.24 percent. The mean values for customer satisfaction, customer acquisition, and customer retention were 77.22 percent, 76.11 percent, and 76.71 percent, respectively. "The CRM concept has a significant positive impact on customer satisfaction for partially committed customers." Customers who are partially committed agree that they will be satisfied if the CMWU maintains continuous communication with them by soliciting feedback on services provided and sending cards in religious, public, and private settings, with a proportional mean of 79.19 percent. With a proportional mean of 72.63 percent, the PCC agrees that using the CRM concept will contribute to customer retention if the CMWU continues to develop the provided services, develop proper close communication channels, and give the customers personnel attention. The PCC provides reasonable answers to water bill payment questions, regardless of how CMWU treats customers or shares their special occasions.

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